

Message Text

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FOLLOWING REPEAT BRUSSELS 6897 ACTION SECSTATE INFO ANKARA
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HELSINKI LISBON LONDON LUXEMBOURG MADRID OSLO OTTAWA PARIS
REYKJAVIK ROME STOCKHOLM TOKYO VIENNA WELLINGTON EC BRUSSELS
USUN NEW YORK GENEVA MTN GENEVA 13 JULY 76.

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SUBJECT: OECD INVESTMENT PACKAGE: AMBASSADOR TURNER'S BRIEFING
OF US BUSINESS LEADERS IN BRUSSELS

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REF: BRUSSELS 6854 (NOTAL)

1. USOECD AMBASSADOR TURNER MET AT THE EMBASSY ON JULY 12 WITH SOME 30 SENIOR EXECUTIVES OF THE LOCAL AMERICAN BUSINESS COMMUNITY HE GAVE THE BACKGROUND AND MAIN PROVISIONS OF THE NEW OECD INVESTMENT PACKAGE IN HALF AN HOUR, AND THEN RESPONDED TO QUESTIONS AND COMMENTS FROM THE AUDIENCE FOR ANOTHER HOUR. INFORMAL DISCUSSION CONTINUED WHILE A LIGHT BUFFET LUNCH WAS CONSUMED. AMBASSADOR TURNER CONCLUDED HIS STAY AT THE EMBASSY BY HOLDING A QUESTION-AND-ANSWER SESSION WITH TEN MEMBERS OF THE BRUSSELS PRESS CORPS.

2. THE PRESENTATION TO THE BUSINESSMEN WAS VERY WELL RECEIVED. A NUMBER OF THOUGHTFUL AND PROVOCATIVE QUESTIONS WERE DIRECTED AT AMBASSADOR TURNER, INCLUDING SEVERAL IMPLYING SKEPTICISM THAT THE OECD PROGRAM WAS EITHER WORTHWHILE OR COULD BE EFFECTIVE. OTHER QUESTIONS WERE DIRECTED TO MODALITIES OF BUSINESS AND GOVERNMENT PARTICIPATION AND MONITORING. THE REPLIES PERSUASIVELY PLACED THE OECD GUIDELINES IN PERSPECTIVE: THEY ARE NOT INTENDED TO REVOLUTIONIZE THE BEHAVIOR OF MULTINATIONAL ENTERPRISES, PARTICULARLY SINCE MOST FIRMS ALREADY CONFORM TO THE PRINCIPLES IN THE GUIDELINES, BUT REPRESENT AN IMPORTANT EFFORT TO ESTABLISH RULES IN AN AREA WHERE NO INTERNATIONAL CONSENSUS HAS HERETOFORE EXISTED. AMBASSADOR TURNER EMPHASIZED THAT THE OECD PACKAGE SHOULD BE LOOKED UPON AS A COMPACT BETWEEN GOVERNMENTS AND MULTINATIONAL ENTERPRISES, SINCE IT ESTABLISHES OBLIGATIONS FOR BOTH PARTIES. AS FOR THE VOLUNTARY NATURE OF THE GUIDELINES, THE AMBASSADOR POINTED OUT THAT THE POLITICAL WILL OF THE OECD COUNTRIES BACKING UP THE GUIDELINES CAN MAKE THEM EFFECTIVE HE CITED THE 1974 OECD TRADE PLEDGE AS AN EXAMPLE OF A VOLUNTARY AGREEMENT THAT HAS BEEN ADHERED TO WITHOUT SERIOUS EXCEPTION BECAUSE IT WAS BACKED BY THE POLITICAL WILL OF THE GOVERNMENTS ADOPTING IT.

3. QUESTIONS FROM THE JOURNALISTS INDICATED THAT THEY TOO WERE NOT YET FAMILIAR WITH THE CONTENTS OF THE OECD INVESTMENT PACKAGE. AS A RESULT, THIS SESSION CONSISTED MOSTLY OF EXPLAINING THE BACKGROUND, SUBSTANCE AND STATUS OF THE DOCUMENT. LIKE THE EXECUTIVES, SOME JOURNALISTS APPEARED SKEPTICAL AT FIRST ABOUT THE SIGNIFICANCE OF THE OECD INVEST-

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MENT PACKAGE. AMBASSADOR TURNER'S RESPONSES TO THEIR QUESTIONS STRUCK A BALANCE THAT MADE CLEAR THE IMPORTANT IMPLICATIONS AND POTENTIAL OF THE OECD INITIATIVE, WITHOUT MAKING UNREALISTIC PROMISES OF DRAMATIC IMMEDIATE CHANGES IN GOVERNMENT OR MULTINATIONAL ENTERPRISE BEHAVIOR. IN ADDITION TO THE INVESTMENT PACKAGE, JOURNALISTS ASKED QUESTIONS ON THE FOLLOWING SUBJECT:

--U.S. GOVERNMENT EFFORTS TO HEAD OFF A PROPOSED
EC TAX ON IMPORTED VEGETABLE OIL:

--OECD CONSIDERATION OF EAST-WEST ECONOMIC-COMMERCIAL ISSUES;

--U.S. VIEWS ON THE PRESENT STATUS AND FUTURE PROGRAM FOR
CIEC.

4. ALL WHO PARTICIPATED FOUND THE MEETINGS USEFUL AND
INFORMATIVE. SEVERAL BUSINESSMEN SAID THEY INTENDED TO
FOLLOW UP WITH THEIR STATESIDE HEADQUARTERS, AND URGED
THE GOVERNMENT TO BRIEF U.S. ENTERPRISES DOMESTICALLY ALONG
LINES OF PRESENTATION BY AMBASSADOR TURNER IN EUROPE.
THE EMBASSY BENEFITED GREATLY FROM AMBASSADOR TURNER'S
APPEARANCE, BOTH DIRECTLY FROM HIS BRIEFINGS AND INDIRECTLY
THROUGH PROVIDING AN EXCELLENT OCCASION FOR MEANINGFUL
EXCHANGE WITH THE BUSINESS COMMUNITY ON A SUBJECT OF
IMMEDIATE MUTUAL INTEREST. MANY OF THE INVITED BUSINESSMEN
WENT WELL BEYOND SIMPLE COURTESY IN EXPRESSING THEIR
WHOLEHEARTED APPRECIATION FOR AMBASSADOR'S HOSPITALITY
AND FOR THE OPPORTUNITY TO DISCUSS THIS IMPORTANT SUBJECT
WITH THE OFFICIAL WHO LED OUR NEGOTIATIONS.
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